

# APPLICATION INSTRUCTIONS FOR A LOTTERY RETAIL LICENSE

Enclosed are the forms and information that you, as a prospective Missouri Lottery retailer, will need to apply for a Lottery Retail License. Please read and follow these instructions carefully. After receipt of the completed application, the Missouri Lottery will begin processing your application. After the background and tax clearances have been received and it has been determined that you qualify, your lottery license will be issued and you will be scheduled for ticket orders. In the event it is determined that you do not qualify to be licensed, you will be notified by mail stating the reasons for disqualification.

**Retailers are valued partners in the Missouri Lottery and we look forward to establishing a good partnership with you in the future. If you should have any questions please contact your Lottery Sales Representative or call 1-866-665-6883.**

## 1. MISSOURI LOTTERY RULES AND REGULATIONS

The rules and regulations were enacted by the Lottery Commission to govern the operation of the Lottery. Missouri law requires all individuals, including employees who will be involved in the sale, bookkeeping, or any other aspect of the Lottery, to read and be familiar with the rules and regulations. Please make these rules and regulations available to those individuals

## 2. APPLICATION FOR LOTTERY RETAIL LICENSE

The information provided on this application will be used to determine whether or not the business qualifies to be licensed. Please provide all requested information, answer all questions completely, and read the conditions on the reverse side of the application carefully. The application must be signed by the owner, chief executive, or authorized agent designated by the retailer.

**SECTION A: PROVIDE INFORMATION REQUESTED.** If owner has no employees, indicate “no employees” in box for “FEIN #”.

## SECTION B: RETAIL STATUS

**BUSINESS TYPE** (codes and descriptions) Use code numbers on application form for descriptions

Code (Description)	Code (Description)	Code (Description)
5010 Convenience w Gas	5831 Bowling Center wo Alcohol	5941 Mass Merchandise wo Grocery
5011 Convenience wo Gas	5840 Coffee House	5950 Truck stop w Alcohol
5020 Newsstand	5850 Fast Food	5951 Truck stop wo Alcohol
5410 Grocery - Supermarket	5860 Gift Shop	5960 Fraternal/Service Organization w Alcohol
5540 Service/Gas Station	5870 Home Center	5961 Fraternal/Service Organization wo Alcohol
5810 Restaurant w Alcohol	5880 Hotel/Motel	5970 Video Store
5811 Restaurant wo Alcohol	5910 Drug/Pharmacy/Sundry	5980 Check Cashing Outlet
5820 Bar/Lounge	5920 Liquor Store	5990 Other - Please specify in comment section
5830 Bowling Center w Alcohol	5940 Mass Merchandising w Grocery	of application

**OWNERSHIP TYPE** (codes and descriptions) use code numbers on application form for descriptions

**Code (Description)**

1. Sole Proprietorship 2. Partnership 3. Corporation for Profit 4. Corporation not for Profit 5. Other - Please specify

## BILLING OPTIONS

**DELAYED BILLING**—All packs of tickets delivered at one time and listed on one invoice are billed to the retailer statement 1 – 4 weeks later depending on the option chosen by the retailer under delayed billing system: 0, 1, 2, or 4.

**CONSIGNMENT FIXED DELAYED BILLING**—Packs of tickets will be billed only after they are opened and the first winning ticket validation (of any prize amount) occurs. Unopened packs are considered Lottery inventory and will not be billed until the first validation for that pack takes place. The actual payment can be delayed by choosing a delay of 0, 1, 2, or 4 weeks.

**CONSIGNMENT 90/60**—Packs of tickets will become activated once they are opened and the first winning ticket validation (of any prize amount) occurs. The packs of tickets will then be billed when 90 percent of the winning tickets have been validated or 60 days after the first validation, which ever comes first.

## EFT PAYMENT AND AUTHORIZATION AGREEMENT

Lottery Retailers are required to participate in the **Electronic Funds Transfer (EFT)** system for payment of both scratch and on-line products. Your signature on the application indicates your authorization for the Missouri Lottery to initiate debit and credit entries to the bank account indicated. The following are some of the most frequently asked questions and answers regarding EFT.

### A. What are the advantages for me in using the EFT system?

You will know exactly when your account will be debited and the transaction will occur at the same time every week. The cost of writing and mailing a check is eliminated and you are assured the funds are received.

### B. Is a separate lottery account advisable and how much money should I put in the account?

The Lottery does not require you to open a separate account for lottery transactions unless you want to keep lottery funds separate from your other business or personal funds. Your bank may charge extra for maintaining an additional account. The money in the account must be equal to the Total Amount Due on your statement for instant tickets and/or on-line games. If you have return tickets or additional prize credits, they will be reflected on your next statement. The system will not accept any amount less than the Total Amount Due. Your bank charges should be considered when determining how much money to deposit in the account to cover the EFT sweep. It would be advisable to maintain a “cushion” in the account to help ensure sufficient deposits for EFT sweeps.

### C. Can I use my present bank for EFT?

Yes, any bank is acceptable. If your bank is not a member of the Mid-America Payment Exchange and cannot handle our EFT transaction, please contact Game Accounting at 1-866-665-6883.

(continued on next page)

**D. Whose name should be on the account?**

You should use the business name exactly as it appears on your Missouri Lottery Retail License.

**E. When must my money be deposited in the EFT account for transfer to the Lottery?**

The funds required by the statement must be deposited to your lottery account no later than the close of bank business on the day before the sweep occurs. You should check with your bank to determine the cutoff time for deposits to be posted for that day. Do not depend on cash deposited in the night deposit box to be posted in time for the EFT sweep.

**F. What will happen if the proper amount of money is not in my EFT account at the time the transfer to the Lottery occurs?**

If you have an NTF, you will receive notification from Game Accounting. It is imperative that you deposit the correct amount in a timely manner because the Lottery may access a service charge.

**G. What do I do if I have a problem with my EFT bank account statement and do not want to risk the Lottery getting a NTF?**

Call Game Accounting immediately at 1-866-665-6883 to discuss the problem. A determination will be made at that time.

**FOR PULL TAB ONLY**

This box is for those applying for a license to sell pull tabs only and is the only applicant eligible for COD payment.

**SECTION C:** Please provide all information requested legibly and in black ink.

**SECTION D: DEPARTMENT OF REVENUE (DOR)**

It is imperative that this section be completed in order for the Department of Revenue to perform the necessary tax clearances. Tax clearance requests sent to DOR that are returned "pending" due to any particular reason, fall to the responsibility of the applicant to correct in a timely manner so that approval of this application can occur in a prudent time frame.

**SECTION E****MISSOURI LOTTERY BOND INFORMATION**

Each location must be bonded. The bond amount is set at \$10,000 (\$20,000 if an on-line terminal is currently at this location). Your options for bonding are:

1. Obtain coverage through the Missouri Lottery for each location. Your signature on the application indicates your agreement to the conditions specified below. After licensing, the \$50.00 bond fee will be swept from your EFT bank account. Your first statement will reflect the amount due and the date of the EFT sweep. If a pull tab only retailer with a COD payment option, the \$50.00 bond fee will be added to your first ticket order after licensing to be remitted through UPS.
2. Secure a \$10,000 (\$20,000 if an on-line terminal is at this location) Surety Bond for each location from an insurance company licensed to do business in the State of Missouri. Attach the completed Surety Bond and a Power of Attorney to the application and send them to the Missouri Lottery.

**Bonds are renewed annually. If you have any questions, call Retail Operations at 1-866-665-6883.**

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**MISSOURI LOTTERY SELF-INSURED BOND**

Missouri Lottery Bond Account as Surety, is held and firmly bound unto the STATE LOTTERY ACCOUNT in any amount owed the Missouri Lottery, whereof the Principal binds itself, its heirs, executors, administrators and successors, jointly and severally, firmly by these presents. WHEREAS, the Principal has entered into a certain written agreement with the MISSOURI LOTTERY COMMISSION for the selling of lottery tickets as a Lottery Game Retailer.

NOW THEREFORE, if the Principal shall faithfully perform and fulfill all the undertakings, covenants, terms and conditions of the written agreement during the term of the next licensing period, and within one (1) year after the termination or cancellation of the agreement; and shall faithfully perform and fulfill all undertakings, covenants, terms and conditions of any and all duly authorized modifications of said agreement that may hereafter be made, this obligation shall be void and of no effect, but it is expressly understood that if the Principal should make default in or should fail to strictly, faithfully and efficiently do, perform and comply with any or more of the covenants, agreements, stipulations, conditions, requirements or undertakings, as specified in or by the terms of said agreement, and with the time therein named, then this obligation shall be valid and binding upon each of the parties hereto and this bond shall remain in full force and effect.

Principal specifically acknowledges and agrees to be bound by this agreement and agrees to pay an annual bonding fee as directed by the Missouri Lottery. This bonding fee shall be in an amount to be determined by the director of the Lottery.

This agreement shall be automatically renewed upon the annual payment of the bonding fee. Principal specifically acknowledges and agrees that this bond fee shall be non-refundable.

**PLEASE RETAIN THIS INFORMATION FOR YOUR FILES.**

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**SECTION F: MERCHANDISING AGREEMENT**

With indication of "yes" in SECTION F, applicant accepts and agrees to conditions of said agreement and with signature at bottom of application, enters into Contract with the Missouri Lottery.

**SECTION G: VERIFICATION OF INFORMATION**

Verifies that information is correct and complies with all "conditions for licensing" listed on back of application.